

Total Life Cycle Systems Management



Progress Report
13 April 2004



TLCSM Contribution to AT&L Goals

AT&L Goal	TLCSM Contribution
Acquisition Excellence with Integrity	Enables appropriate sustainment of evolutionary capabilities; incentivizes use of mature technologies
Logistics: Integrated and Efficient	Capitalizes on integrated supply chains to provide output (readiness) at known cost via PBL
Systems Integration and Engineering for Mission Success	Focuses PM/industry attention on system design and operational effectiveness, including R&M, footprint, and mobility
Technology Dominance	Enables rapid insertion of emerging technology
Resources Rationalized	Provides clear insight into sustainment costs and outputs; enables greater industry role based on business case
Industrial Base Strengthened	Leading A&D sector to adopt best-in-class practices

TLCSM: Achievement of An AT&L Team Effort

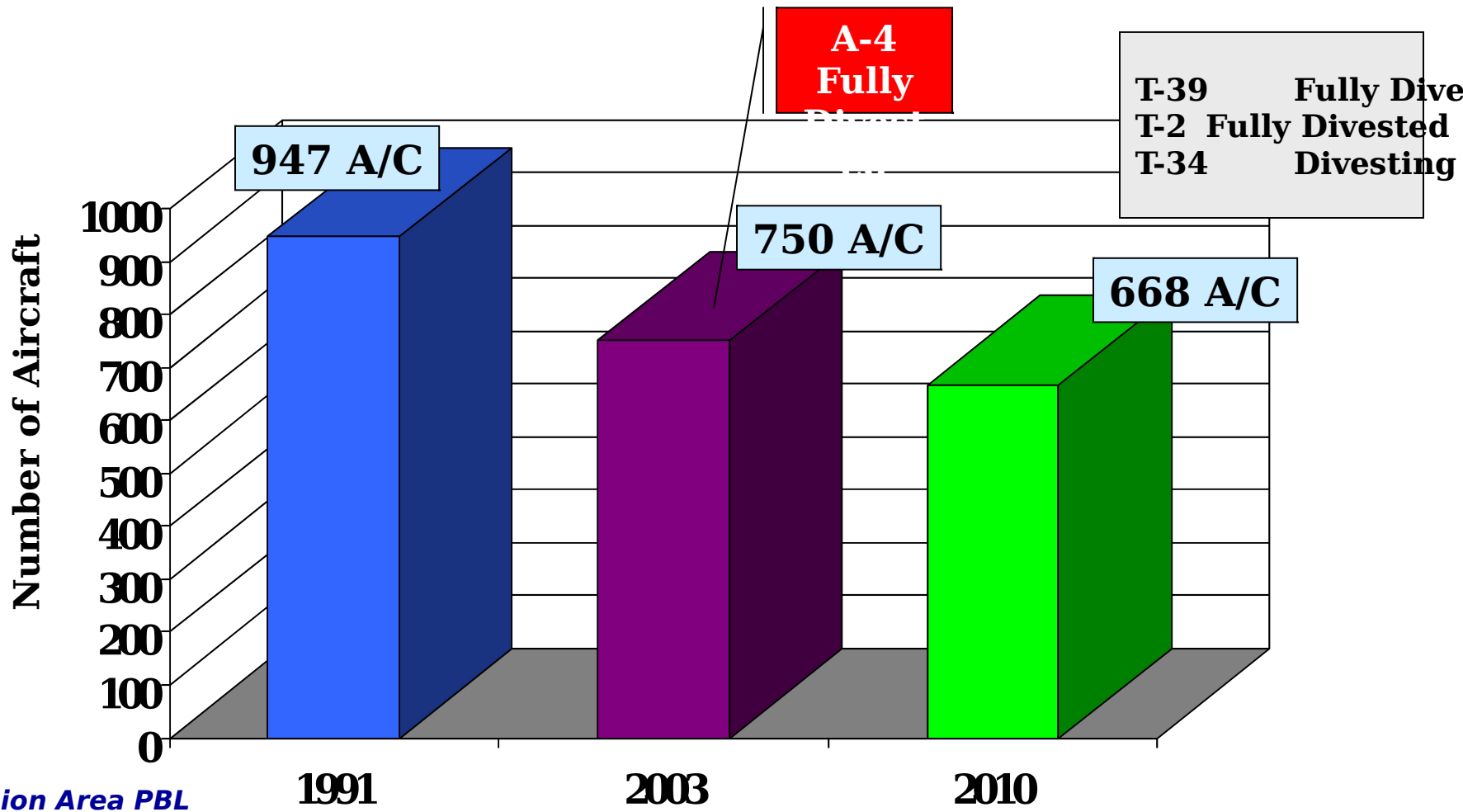


Accomplishments

- Codified life cycle responsibilities in 5000 Series
 - PM is the life cycle manager
- Established sustainment performance as a military requirement (JCSI 3170)
- Published Design for Supportability Guide
 - Reduced logistics demands
- Implemented over 120 PBL arrangements
- Documented \$15B in cost savings/avoidances over FY 05 POM
- Demonstrated combat utility of PBL in OEF/OIF
- Completely reengineered DAU logistics curriculum



Navy Trainer Aircraft Rightsizing through PBL*



Fleet reductions enabled by improved service delivery, performance contracting, and



Recent Events

- ✓ Defense Business Board Review
 - PBL is the right strategy
 - DoD leading the commercial sector
 - Develop consistent guidance
 - Accelerate implementation
- ✓ Deputy Secretary of Defense Direction
 - AT&L/Comptroller issue clear guidance
 - Services submit plans to accelerate
- ✓ Strategic Planning Guidance
 - Services conduct business case analysis of PBL application on all ACAT I and II programs
- ✓ DoD/AIA Tiger Team
 - Consistent BCA guidelines
 - Focused metrics
 - Preferred procurement strategy
 - Preferred funding strategy



Near-Term Actions (FY 04)

- Promulgate consistent PBL guidance
 - Buy performance
 - Incentives tied to critical metrics
 - Multi-year contracts
 - Award terms to enable consistent contract horizon
- Promulgate enabling financial strategy
 - Visible weapon system programming
 - Consolidate budgeting in visible element code
- Establish core metrics, baselines, and benchmarks
 - Operational availability
 - Mission reliability
 - Cost per unit usage
 - Footprint
 - Mobility
 - Logistics response time
- Incorporate metrics reporting into existing processes/systems
 - DAES
 - Quarterly Readiness Reports